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HB 2214

Introduced by
Representatives Larkin, Alston, Andrade, Cardenas, Espinoza, Saldate,
Velasquez: Bolding, Clark, Fernandez, Hale, Otondo

AN ACT

AMENDING SECTIONS 15-1626 AND 15-1661, ARIZONA REVISED STATUTES; RELATING TO
UNIVERSITIES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:
2 Section 1. Section 15-1626, Arizona Revised Statutes, is amended to
3 read:
4 15-1626. General administrative powers and duties of board:
5 definition
6 A. The board shall:
7 1. Have and exercise the powers necessary for the effective governance
8 and administration of the institutions under its control. To that end, the
9 board may adopt, and authorize each university to adopt, such regulations,
10 policies, rules or measures as are deemed necessary and may delegate in
11 writing to its committees, to its university presidents, or their designees,
12 or to other entities under its control, ~~any part of its authority for the~~
13 administration and governance of such institutions, including those powers
14 enumerated in section 15-1625, subsection B, paragraphs 2 and 4, paragraphs
15 3, 4, 8, 9, 11 and 12 of this subsection and subsection B of this section.
16 Any delegation of authority may be rescinded by the board at any time in
17 whole or in part.
18 2. Appoint and employ and determine the compensation of presidents
19 with such power and authority and for such purposes in connection with the
20 operation of the institutions as the board deems necessary.
21 3. Appoint and employ and determine the compensation of
22 vice-presidents, deans, professors, instructors, lecturers, fellows and such
23 other officers and employees with such power and authority and for such
24 purposes in connection with the operation of the institutions as the board
25 deems necessary, or delegate its authority pursuant to paragraph 1 of this
26 subsection.
27 4. Remove any officer or employee when the interests of education in
28 this state so require in accordance with its personnel rules and policies.
29 5. Fix tuitions and fees to be charged and differentiate the tuitions
30 and fees between institutions and between residents, nonresidents,
31 undergraduate students, graduate students, students from foreign countries
32 and students who have earned credit hours in excess of the credit hour
33 threshold. ANY INCREASE IN TUITION CHARGED TO RESIDENT UNDERGRADUATE
34 STUDENTS MAY NOT EXCEED THE CHANGE IN THE GDP PRICE DEFLATOR, AS DEFINED IN
35 SECTION 41-563, FROM THE SECOND PRECEDING CALENDAR YEAR TO THE CALENDAR YEAR
36 IMMEDIATELY PRECEDING THE YEAR IN WHICH THE INCREASED TUITION AMOUNT IS
37 SCHEDULED TO BE APPLIED. For the purposes of this paragraph, the
38 undergraduate credit hour threshold is one hundred forty-five hours for
39 students who attend a university under the jurisdiction of the board. The
40 undergraduate credit hour threshold shall be based on the actual full-time
41 equivalent student enrollment counted on the forty-fifth day of every fall
42 and spring semester, divided by two, and any budget adjustment based on
43 student enrollment shall occur in the fiscal year following the actual
44 full-time equivalent student enrollment count. The undergraduate credit hour
45 threshold shall not apply to degree programs that require credit hours above

1 the credit hour threshold, credits earned in the pursuit of up to two
2 baccalaureate degrees, credits earned in the pursuit of up to two state
3 regulated licensures or certificates, credits earned in the pursuit of
4 teaching certification, credits transferred from a private institution of
5 higher education, credits transferred from an institution of higher education
6 in another state, credits earned at another institution of higher education
7 but that are not accepted as transfer credits at the university where the
8 student is currently enrolled and credits earned by students who enroll at a
9 university under the jurisdiction of the board more than twenty-four months
10 after the end of that student's previous enrollment at a public institution
11 of higher education in this state. On or before October 15 of each year, the
12 board shall report to the joint legislative budget committee the number of
13 in-state students and out-of-state students who were enrolled at universities
14 under the jurisdiction of the board during the previous fiscal year who met
15 or exceeded the undergraduate credit hour threshold prescribed in this
16 paragraph. The amount of tuition, registration fees and other revenues
17 included in the operating budget for the university adopted by the board as
18 prescribed in paragraph 13 of this subsection shall be deposited, ~~—~~ pursuant
19 to sections 35-146 and 35-147. All other tuition and fee revenue shall be
20 retained by each university for expenditure as approved by the board, except
21 that the universities shall not use any tuition or fee revenue to fund or
22 support an alumni association.

23 6. Except as provided in subsection I of this section, adopt rules to
24 govern its tuition and fee setting process that provide for the following:

25 (a) At least one public hearing at each university as an opportunity
26 for students and members of the public to comment on any proposed increase in
27 tuition or fees.

28 (b) Publication of the notice of public hearing at least ten days
29 prior to the hearing in a newspaper of general circulation in Maricopa
30 county, Coconino county and Pima county. The notice shall include the date,
31 time and location of the public hearing.

32 (c) Public disclosure by each university of any proposed increases in
33 tuition or fees at least ten days prior to the public hearing.

34 (d) **A ROLL CALL VOTE OF ANY** final board action on changes in tuition
35 or fees ~~shall be taken by roll call vote.~~

36 The procedural requirements of subdivisions (a), (b), (c) and (d) of this
37 paragraph apply only to those changes in tuition or fees that require board
38 approval.

39 7. Pursuant to section 35-115, submit a budget request for each
40 institution under its jurisdiction that includes the estimated tuition and
41 fee revenue available to support the programs of the institution as described
42 in the budget request. The estimated available tuition and fee revenue shall
43 be based on the tuition and registration fee rates in effect at the time the
44 budget request is submitted with adjustments for projected changes in
45 enrollment as provided by the board.

1 8. Establish curriculums and designate courses at the several
2 institutions that in its judgment will best serve the interests of this
3 state.

4 9. Award such degrees and diplomas on the completion of such courses
5 and curriculum requirements as it deems appropriate.

6 10. Prescribe qualifications for admission of all students to the
7 universities. The board shall establish policies for guaranteed admission
8 that assure fair and equitable access to students in this state from public,
9 private and charter schools and homeschools. For the purpose of determining
10 the qualifications of honorably discharged veterans, veterans are those
11 persons who served in the armed forces for a minimum of two years and who
12 were previously enrolled at a university or community college in this state.
13 No prior failing grades received by the veteran at the university or
14 community college in this state may be considered.

15 11. Adopt any energy conservation standards promulgated by the
16 department of administration for the construction of new buildings.

17 12. Employ for such time and purposes as the board requires attorneys
18 whose compensation shall be fixed and paid by the board. Litigation to which
19 the board is a party and for which self-insurance is not provided may be
20 compromised or settled at the direction of the board.

21 13. Adopt annually an operating budget for each university equal to
22 the sum of appropriated general fund monies and the amount of tuition,
23 registration fees and other revenues approved by the board and allocated to
24 each university operating budget.

25 14. In consultation with the state board of education and other
26 education groups, develop and implement a program to award honors
27 endorsements to be affixed to the high school diplomas of qualifying high
28 school pupils and to be included in the transcripts of pupils who are awarded
29 endorsements. The board shall develop application procedures and testing
30 criteria and adopt testing instruments and procedures to administer the
31 program. In order to receive an honors endorsement, a pupil must demonstrate
32 an extraordinary level of knowledge, skill and competency as measured by the
33 testing instruments adopted by the board in mathematics, English, science and
34 social studies. Additional subjects may be added at the determination of the
35 board. The program is voluntary for pupils.

36 15. Require the publisher of each literary and nonliterary textbook
37 used in the universities of this state to furnish computer software in a
38 standardized format when software becomes available for nonliterary textbooks
39 to the Arizona board of regents from which braille versions of the textbooks
40 may be produced.

41 16. Require universities that provide a degree in education to require
42 courses that are necessary to obtain a provisional structured English
43 immersion endorsement as prescribed by the state board of education.

1 17. Acquire United States flags for each classroom that are
2 manufactured in the United States and that are at least two feet by three
3 feet and hardware to appropriately display the United States flags, acquire a
4 legible copy of the Constitution of the United States and the Bill of Rights,
5 display the flags in each classroom in accordance with title 4 of the United
6 States Code and display a legible copy of the Constitution of the United
7 States and the Bill of Rights adjacent to the flag.

8 18. To facilitate the transfer of military personnel and their
9 dependents to and from the public schools of this state, pursue, in
10 cooperation with the state board of education, reciprocity agreements with
11 other states concerning the transfer credits for military personnel and their
12 dependents. A reciprocity agreement entered into pursuant to this paragraph
13 shall:

14 (a) Address procedures for each of the following:

15 (i) The transfer of student records.

16 (ii) Awarding credit for completed ~~course-work~~ COURSEWORK.

17 (iii) Permitting a student to satisfy the graduation requirements
18 prescribed in section 15-701.01 through the successful performance on
19 comparable exit-level assessment instruments administered in another state.

20 (b) Include appropriate criteria developed by the state board of
21 education and the Arizona board of regents.

22 19. Require a university to publicly post notices of all of its
23 employment openings, including the title and description, instructions for
24 applying and relevant contact information.

25 20. In consultation with the community college districts in this
26 state, develop and implement common equivalencies for specific levels of
27 achievement on advanced placement examinations and international
28 baccalaureate examinations in order to award commensurate postsecondary
29 academic credits at community colleges and public universities in this state.

30 21. On or before August 1 of each year, report to the joint
31 legislative budget committee the graduation rate by university campus during
32 the previous fiscal year. The board shall also report the retention rate by
33 university campus and by class, as determined by date of entry during the
34 previous fiscal year.

35 B. The board shall adopt personnel policies for all employees of the
36 board and the universities.

37 C. In conjunction with the auditor general, the board shall develop a
38 uniform accounting and reporting system, which shall be reviewed by the joint
39 legislative budget committee before final adoption by the board. The board
40 shall require each university to comply with the uniform accounting and
41 reporting system.

42 D. The board may employ legal assistance in procuring loans for the
43 institutions from the United States government. Fees or compensation paid
44 for such legal assistance shall not be a claim on the general fund of this
45 state but shall be paid from funds of the institutions.

1 E. The board shall approve or disapprove any contract or agreement
2 entered into by the university of Arizona hospital with the Arizona health
3 facilities authority.

4 F. The board may adopt policies that authorize the institutions under
5 its jurisdiction to enter into employment contracts with nontenured employees
6 for periods of more than one year but not more than five years. The policies
7 shall prescribe limitations on the authority of the institutions to enter
8 into employment contracts for periods of more than one year but not more than
9 five years, including the requirement that the board approve the contracts.

10 G. The board may adopt a plan or plans for employee benefits that
11 allow for participation in a cafeteria plan that meets the requirements of
12 the United States internal revenue code of 1986.

13 H. The board may establish a program for the exchange of students
14 between the universities under the jurisdiction of the board and colleges and
15 universities located in the state of Sonora, Mexico. Notwithstanding
16 subsection A, paragraph 5 of this section, the program may provide for
17 in-state tuition at the universities under the jurisdiction of the board for
18 fifty Sonoran students in exchange for similar tuition provisions for up to
19 fifty Arizona students enrolled or seeking enrollment in Sonoran colleges or
20 universities. The board may direct the universities to work in conjunction
21 with the Arizona-Mexico commission to coordinate recruitment and admissions
22 activities.

23 I. Subsection A, paragraph 6, subdivisions (a), (b), (c) and (d) of
24 this section do not apply to fee increases that are set by individual
25 universities and that do not require approval by the Arizona board of regents
26 before the fee increase becomes effective.

27 J. The Arizona board of regents, in collaboration with the
28 universities under its jurisdiction, shall adopt a performance funding
29 model. The performance funding model shall use performance metrics that
30 include the increase in degrees awarded, the increase in completed student
31 credit hours and the increase in externally generated research and public
32 service funding. The funding formula may give added weight to degrees
33 related to science, technology, engineering and mathematics and other
34 high-value degrees that are in short supply or that are essential to this
35 state's long-term economic development strategy.

36 K. The Arizona board of regents shall use the performance funding
37 model adopted pursuant to subsection J of this section in developing and
38 submitting budget requests for the universities under its jurisdiction.

39 L. On or before November 1 of each year, the Arizona board of regents
40 shall submit to the joint legislative budget committee and the governor's
41 office of strategic planning and budgeting a report on university debt and
42 obligations, including:

- 43 1. Long-term notes and obligations.
- 44 2. Certificates of participation and other obligations pursuant to any
45 lease-purchase agreements.

1 3. Revenue bonds.

2 4. Bonds issued pursuant to section 15-1682.03.

3 M. The report issued pursuant to subsection L of this section shall
4 contain, for the most recent fiscal year:

5 1. The aggregate level of outstanding principal and the principal and
6 interest payments, by type of debt or obligation.

7 2. An itemization, by campus and project, of the amount of yearly
8 principal and interest to be paid in the most recent and the next five fiscal
9 years.

10 N. The board may enter into an intergovernmental agreement pursuant to
11 section 15-1747 to manage universities under its jurisdiction subject to the
12 terms of the reciprocity agreement.

13 O. For the purposes of this section, "university debt and obligations"
14 means debt and obligations, the principal and interest of which are paid in
15 whole or in part with university monies.

16 Sec. 2. Section 15-1661, Arizona Revised Statutes, is amended to read:
17 15-1661. Annual appropriation; enrollment audit; expenditure;
18 balance; salaries

19 A. There shall be appropriated in the general appropriation bill for
20 each fiscal year a sum of monies not less than ~~eighty-five one-hundredths of~~
21 ~~one mill on the dollar of the assessed valuation of all taxable property in~~
22 ~~the state~~ FIFTY PERCENT OF THE TOTAL COST OF ATTENDANCE FOR RESIDENT STUDENTS
23 WHO ATTENDED THE INSTITUTIONS UNDER THE ARIZONA BOARD OF REGENTS'
24 JURISDICTION DURING THE PREVIOUS FISCAL YEAR for the improvement, support and
25 maintenance of ~~the THOSE~~ institutions ~~under the Arizona board of regents'~~
26 ~~jurisdiction~~, including payment of salaries, current expenses, purchase of
27 equipment, making necessary repairs, construction of new buildings, purchase
28 of lands and in general for payment of all such expenses connected with the
29 management of ~~the THOSE~~ institutions ~~under the Arizona board of regents'~~
30 ~~jurisdiction~~. ~~The department of revenue, upon compiling the aggregate~~
31 ~~assessed valuation of all taxable property within this state, shall compute~~
32 ~~the amount of monies so determined and certify such amount over its seal to~~
33 ~~the department of administration and the state treasurer.~~

34 B. The full-time equivalent student enrollment reported for the
35 previous fiscal year by each university shall be audited annually by the
36 auditor general. The auditor general shall report the results of the audit
37 to the staffs of the joint legislative budget committee and the governor's
38 office of strategic planning and budgeting on or before October 15 of each
39 year. On or before July 21 of each academic year, each university shall
40 provide for the previous fall semester a certified report to the auditor
41 general of the number of full-time equivalent students calculated by the
42 university and a separate report only for those students who meet the
43 residency requirements prescribed in section 15-1802. The university's
44 records used to calculate full-time equivalent student enrollment shall be
45 provided to the auditor general in an electronic format prescribed by the

1 auditor general. ~~Beginning in 2006,~~ Each university shall submit to the
2 auditor general a summary of its full-time equivalent student enrollment
3 accounting policies and procedures, compilation procedures and source records
4 used for calculating full-time equivalent student enrollment. These
5 accounting policies and procedures, compilation procedures and source records
6 shall comply with policies developed on or before June 30, 2006 by the
7 Arizona board of regents, in consultation with the auditor general and
8 reviewed by the joint legislative budget committee. These policies shall
9 include a review and recommendations of the necessity of minimum requirements
10 for students enrolled in classes to qualify for appropriations pursuant to
11 this section, including requirements that the class be a for-credit course
12 that is necessary for the completion of a degree and that the student
13 enrolled in the course be physically present in this state at the time the
14 course is conducted. The basic actual full-time equivalent student
15 enrollment shall be counted on the forty-fifth day after the basic actual
16 full-time equivalent student enrollment classes begin for the fall and spring
17 semesters, as published in the university catalogs, and divided by two. The
18 Arizona board of regents shall also make recommendations of whether each
19 professor or instructor should be required to review class rosters and make
20 additions or deletions as necessary. If so, class rosters that reflect
21 enrollment as of the forty-fifth day shall be provided by the registrar's
22 office to each professor or instructor for every class section. The class
23 roster shall indicate the course number, course title, time, instructor name
24 and students enrolled. On the forty-fifth day class rosters, each professor
25 or instructor shall indicate as withdrawn each student who has formally
26 withdrawn from the course, and that student shall not be counted for state
27 aid purposes. The official forty-fifth day rosters shall include a manual
28 signature and date or an electronic authorization and date by the professor
29 or instructor and shall include the following certification:

30 I hereby certify that the information contained in this
31 class roster accurately reflects those students who are
32 enrolled.

33 C. The Arizona board of regents shall also report the basic actual
34 full-time equivalent student enrollment for only those students who meet the
35 residency requirements prescribed in section 15-1802. The basic actual
36 full-time equivalent student enrollment for only those students who meet the
37 residency requirements prescribed in section 15-1802 that is reported by each
38 university for the previous fiscal year shall be annually audited by the
39 auditor general.

40 D. Students who have withdrawn or who have been withdrawn from classes
41 as of the forty-fifth day shall not be counted for state aid purposes. A
42 record shall be maintained that identifies student withdrawals by date of
43 withdrawal, as of the forty-fifth day and after the forty-fifth day for the
44 entire semester.

1 E. Amounts appropriated as provided by subsection A OF THIS SECTION
2 shall be paid as other claims against this state are paid.

3 F. The balance of appropriations as provided by subsection A OF THIS
4 SECTION at the end of the fiscal year, if any, shall not revert to the
5 general fund but shall be carried forward for the continued use for which
6 appropriated.

7 G. Monies appropriated to a university under the jurisdiction of the
8 Arizona board of regents for ~~cost-of-living~~ COST-OF-LIVING salary increases
9 for university employees shall be used to provide ~~cost-of-living~~
10 COST-OF-LIVING salary increases to all university employees, including
11 graduate student assistants. If monies are appropriated to a university for
12 salary increases based on merit, the monies shall be used to provide merit
13 increases according to the merit pay plan adopted by the Arizona board of
14 regents.

15 H. The Arizona board of regents shall determine current actual
16 full-time equivalent student enrollment at each of the institutions under the
17 jurisdiction of the Arizona board of regents. Full-time equivalent student
18 enrollment shall be calculated by adding the following:

19 1. The total number of enrolled fall and spring semester credit hours
20 in 100-level credit courses and 200-level credit courses divided by fifteen.

21 2. The total number of enrolled fall and spring semester credit hours
22 in 300-level credit courses and 400-level credit courses divided by twelve.

23 3. The total number of enrolled fall and spring semester credit hours
24 in graduate level credit courses divided by ten.

25 I. The Arizona board of regents, in its annual budget request, shall
26 not include funding for any student who is enrolled at an institution under
27 the jurisdiction of the Arizona board of regents and who has earned credit
28 hours in excess of the undergraduate credit hour threshold, except that the
29 undergraduate credit hour threshold shall not apply to students who are
30 enrolled in a degree program that requires credit hours above the credit
31 threshold. For the purposes of this subsection, the undergraduate credit
32 hour threshold is ~~one hundred fifty five hours for students who attend a~~
33 ~~university under the jurisdiction of the board in fiscal year 2006-2007, one~~
34 ~~hundred fifty hours for students who attend a university under the~~
35 ~~jurisdiction of the board in fiscal year 2007-2008~~ and one hundred forty-five
36 hours for students who attend a university under the jurisdiction of the
37 board ~~after fiscal year 2007-2008~~. The undergraduate credit hour threshold
38 shall be based on the actual full-time equivalent student enrollment counted
39 on the forty-fifth day after classes begin for the fall and spring semesters
40 and any budget adjustment based on student enrollment shall occur in the
41 fiscal year following the actual full-time equivalent student enrollment
42 count. The undergraduate credit hour threshold shall not apply to credits
43 earned in the pursuit of up to two baccalaureate degrees, credits earned in
44 the pursuit of up to two state regulated licensures and certificates, credits
45 earned in the pursuit of teaching certification, credits transferred from a

1 private institution of higher education, credits transferred from an
2 institution of higher education in another state, credits earned at another
3 institution of higher education but that are not accepted as transfer credits
4 at the university where the student is currently enrolled and credits earned
5 by students who enroll at a university under the jurisdiction of the board
6 more than twenty-four months after the end of that student's previous
7 enrollment at a public institution of higher education in this state.